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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/714,923	11/18/2003	Nelson Schneider	HES-0003	3029

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EXAMINER	
NORMAN, SAMICA L	

ART UNIT	PAPER NUMBER
3694	

MAIL DATE	DELIVERY MODE
11/16/2007	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/714,923	Applicant(s) SCHNEIDER, NELSON	
	Examiner Samica L. Norman	Art Unit 3694	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
 - If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
 - Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 06 September 2007.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-20,27 and 28 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-20,27 and 28 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 18 November 2003 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08)
Paper No(s)/Mail Date <u>20031203</u> | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Election/Restrictions

1. Claims 21-26 are withdrawn from further consideration pursuant to 37 CFR 1.142(b) as being drawn to a nonelected Invention, there being no allowable generic or linking claim. Election was made **without** traverse in the reply filed on September 6, 2007.

Claim Rejections - 35 USC § 102

2. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

3. Claims 1-4, 8-13, 27 and 28 are rejected under 35 U.S.C. 102(b) as being anticipated by Daniels, U.S. PG- Pub No. 2002/0091623 (reference A on the attached PTO-892).
4. As per claim 1, Daniels teaches a system for conducting a business transaction, comprising: a medium which stores information relating to transfer of a partial present interest in real property (see paragraph 0052, lines 3-8); and a processor which manages said information relating to the partial interest in real property (see paragraph 0052, lines 3-8).
5. As per claim 2, Daniels teaches the system of claim 1 as described above. Daniels further teaches wherein the processor computes a value of the partial property interest in the real property (see paragraph 0090, lines 8-10).

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6. As per claim 3, Daniels teaches the system of claim 2 as described above. Daniels further teaches wherein the processor computes a value of the partial property interest on a periodic basis (see paragraph 0085).

7. As per claim 4, Daniels teaches the system of claim 3 as described above. Daniels further teaches wherein the processor generates a valuation report for review by an investor who received the partial property interest, said report indicating the value of the partial property interest (see paragraph 0085).

8. As per claim 8, Daniels teaches the system of claim 1 as described above. Daniels further teaches wherein the processor manages information relating to recordation of a deed related to the partial property interest transfer (see paragraph 0080, lines 5-7).

9. As per claim 9, Daniels teaches the system of claim 1 as described above. Daniels further teaches a modem, wherein the processor establishes a connection to a website of a title searching company through a network using the modem (see paragraph 0019, lines 3-8).

10. As per claim 10, Daniels teaches the system of claim 1 as described above. Daniels further teaches a modem, wherein the processor establishes a connection to a website of a property appraiser through a network using the modem (see paragraph 0088, lines 1-4 and paragraph 0019, lines 3-8).

11. As per claim 11, Daniels teaches the system of claim 1 as described above. Daniels further teaches providing a website which includes information indicating how investors may participate in a program for purchasing partial property interests (see paragraph 0068, lines 1-2).

12. As per claim 12, Daniels teaches the system of claim 11 as described above. Daniels further teaches receiving information from an investor through the website (see paragraph 0068);

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and pre-approving or denying eligibility of the investor to participate in the program (see paragraph 0067, lines 3-8).

13. As per claim 13, Daniels teaches the system of claim 11 as described above. Daniels further teaches wherein the website identifies specific properties available for partial equity transfer under the program (see paragraph 0065, lines 1-2 and paragraph 0054, lines 9-13 and paragraph 0071, lines 4-9).

14. As per claim 27, Daniels teaches a system for selling a partial equity interest in an owner-occupied residential real estate property comprising: a data handler (see paragraph 0091, lines 4-6) for inputting and outputting real estate property transaction related information (see paragraph 0052, lines 3-8); a data storage unit (see paragraph 0092) for storing information arising from the real estate property transaction and documenting information relating to the transaction (see paragraph 0052, lines 3-8); and a data processor (see paragraph 0091, lines 6-7) for processing the real estate transaction related information including application information, documentation checking and allowing for extraction and transfer of funds from a sale of the partial equity interest in the real estate property and wherein the partial equity interest is a concurrent estate in property possessed by two or more holders of respective equity interests (see paragraph 0052, lines 3-8).

15. As per claim 28, Daniels teaches the system of claim 27 as described above. Daniels further teaches wherein any property interests of the two or more holders of the partial equity interest are documented and noted on a deed corresponding to the real estate property (see paragraph 0080, lines 5-7).

Claim Rejections - 35 USC § 103

16. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

17. Claims 5-7 and 14-20 are rejected under 35 U.S.C. 103(a) as being unpatentable over Daniels, U.S. PG- Pub No. 2002/0091623 (reference A on the attached PTO-892) in view of Schoen, U.S. PG-Pub No. 2004/0158515 (reference B on the attached PTO-892).

18. As per claim 5, Daniels teaches the system of claim 4 as described above. Daniels does not explicitly teach wherein the valuation report includes a fee charged by a management company for managing the partial property interest. However, including a fee charged on the valuation report does not relate back to or clarifies what is required by the claims. The wherein clauses of claim 5 merely states the result of a limitation in the claims and is therefore given little patentable weight. *See Texas Instruments Inc. v. International Trade Commission*, 26 USPQ2d 1010 (Fed. Cir. 1993); *Griffin v. Bertina*, 62 USPQ2d 1431 (Fed. Cir. 2002); *Amazon.com Inc. v. Barnesandnoble.com Inc.*, 57 USPQ2d 1747 (Fed. Cir. 2001).

19. As per claim 6, Daniels teaches the system of claim 1 as described above. Daniels fails to teach wherein the processor computes a management fee for managing the partial property interest. Schoen teaches wherein the processor computes a management fee for managing the partial property interest (see paragraph 0006, lines 30-33). It would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate this feature into the system of Daniels. One of ordinary skill in the art would have been motivated to incorporate this feature

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for the purpose of receiving compensation for creating the investment vehicle (see paragraph 0006, lines 30-33 of Schoen).

20. As per claim 7, Daniels teaches the system of claim 1 as described above. Daniels does not explicitly teach wherein the processor computes a commission charged by a facilitator relating to transfer of the partial property interest. However, a commission being charged to pay for execution of a trade is old and well known in art. One of ordinary skill in the art would have been motivated to incorporate this feature into the system of Daniels for the purpose of compensating the broker/facilitator for the execution of the trade.

21. As per claim 14, Daniels teaches the system of claim 11 as described above. Daniels fails to teach wherein the processor manages a partial property interest (PPI) fund which bundles the partial interest in the real property with at least one other partial property interest. Schoen teaches wherein the processor manages a partial property interest (PPI) fund which bundles the partial interest in the real property with at least one other partial property interest (see paragraph 0005, lines 2-5). It would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate this feature into the system of Daniels. One of ordinary skill in the art would have been motivated to incorporate this feature for the purpose of protecting against downward movements in the underlying price of the insured assets (see paragraph 0002, lines 17-18 of Schoen).

22. As per claim 15, Daniels in view of Schoen teaches the system of claim 14 as described above. Daniels fails to teach wherein the processor computes a value of the PPI fund, said value including a sum of a value of the partial interest in the real property and the value of said at least one other partial property interest. Schoen teaches wherein the processor computes a value of

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the PPI fund, said value including a sum of a value of the partial interest in the real property and the value of said at least one other partial property interest (see paragraph 0005, lines 13-18). It would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate this feature into the system of Daniels. One of ordinary skill in the art would have been motivated to incorporate this feature for the purpose of determining a price the property can be sold at.

23. As per claim 16, Daniels in view of Schoen teaches the system of claim 14 s described above. Daniels does not explicitly teach wherein the processor computes the value of the PPI fund on a periodic basis. However, how often the value of the fund is calculated does not relate back to or clarifies what is required by the claims. The wherein clauses of claim 16 merely states the result of a limitation in the claims and is therefore given little patentable weight. *See Texas Instruments Inc. v. International Trade Commission*, 26 USPQ2d 1010 (Fed. Cir. 1993); *Griffin v. Bertina*, 62 USPQ2d 1431 (Fed. Cir. 2002); *Amazon.com Inc. v. Barnesandnoble.com Inc.*, 57 USPQ2d 1747 (Fed. Cir. 2001).

24. As per claim 17, Daniels in view of Schoen teach the system of claim 15 as described above. Daniels fails to teach wherein the processor generates a valuation report indicating the computed value of the PPI fund for review by an investor. Schoen teaches wherein the processor generates a valuation report indicating the computed value of the PPI fund for review by an investor (see paragraph 0010). It would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate this feature into the system of Daniels. One of ordinary skill in the art would have been motivated to incorporate this feature for the purpose of predicting housing trends (see paragraph 0015, lines 24-27 of Schoen).

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25. As per claim 18, Daniels in view of Schoen teach the system of claim 14 as described above. Daniels fails to teach wherein the processor computes a management fee for computing the value of the PPI fund. Schoen teaches wherein the processor computes a management fee for computing the value of the PPI fund (see paragraph 0006, lines 30-33). It would have been obvious to one of ordinary skill in the art at the time of the invention to incorporate this feature into the system of Daniels. One of ordinary skill in the art would have been motivated to incorporate this feature for the purpose of receiving compensation for creating the investment vehicle (see paragraph 0006, lines 30-33 of Schoen).

26. As per claim 19, Daniels in view of Schoen teach the system of claim 14 as described above. Daniels does not explicitly teach wherein the processor manages a transfer of the PPI fund from a first investor to a second investor. It is old and well known in the art for a seller to transfer the product that is bought to the buyer. One of ordinary skill in the art would have been motivated to incorporate this feature into the system of Daniels for the purpose of completing/settling the transaction.

27. As per claim 20, Daniels in view of Schoen teach the system of claim 19 as described above. Daniels does not explicitly teach wherein the processor computes a commission for transferring the PPI fund to the second investor. However, a commission being charged to pay for execution of a trade is old and well known in art. One of ordinary skill in the art would have been motivated to incorporate this feature into the system of Daniels for the purpose of compensating the broker/facilitator for executing the trade.

Note: To aid in the examination process, the Examiner is using the following definition:

Commission securities: fee paid to a broker for executing a trade based on the number of shares traded or the dollar amount of the trade.

Conclusion

28. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure. Graff, U.S. Patent Number 5,802,501 (reference C on the attached PTO-892), teaches producing an illustration of a decomposition of property into separately valued components.

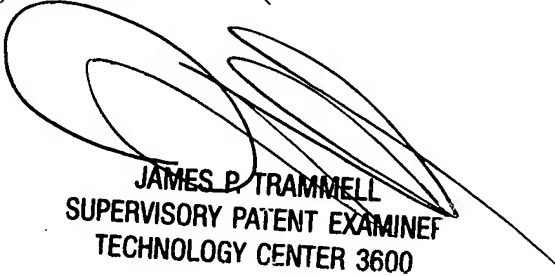
29. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Samica L. Norman whose telephone number is (571) 270-1371. The examiner can normally be reached on Mon-Thur 6:30a-4p, w/ 1st Fri off & 2nd 6:30a-3p.

30. If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Trammell can be reached on (571) 272-6712. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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31. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

sln



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